

VZCZCXRO3471
OO RUEHCN RUEHGH
DE RUEHIN #0676/01 0821006
ZNY CCCCC ZZH
O 231006Z MAR 07
FM AIT TAIPEI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4602
INFO RUEHBJ/AMEMBASSY BEIJING 6522
RUEHKO/AMEMBASSY TOKYO 8592
RUEHCN/AMCONSUL CHENGDU 1757
RUEHGZ/AMCONSUL GUANGZHOU 0092
RUEHHK/AMCONSUL HONG KONG 7765
RUEHGH/AMCONSUL SHANGHAI 0917
RUEHSH/AMCONSUL SHENYANG 5725
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHINGTON DC
RHHJJAA/JICPAC HONOLULU HI
RUEKJCS/SECDEF WASHINGTON DC
RHHMUNA/USPACOM HONOLULU HI

C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000676

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/22/2032

TAGS: [PGOV](#) [TW](#)

SUBJECT: ACTING DPP CHAIRMAN TRONG CHAI ON DPP POLITICS, MA
YING-JEOU, AND U.S.-TAIWAN RELATIONS

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

11. (C) Summary: During a meeting with the Director on March 21, acting DPP Chairman Trong Chai predicted that the DPP will defeat former KMT Chairman Ma Ying-jeou in the 2008 presidential election because the Taiwanese people will not accept Ma's proposal for a "peace agreement" with China that, in Chai's view, demeans Taiwan's status. Ma's decision to announce his presidential candidacy just after being indicted will also hurt Ma, Chai argued. Chai said he expected the trial of First Lady Wu Shu-chen to conclude around June. If Wu is convicted, President Chen will be under pressures and have to decide whether to fulfill his commitment to step down. The Director noted the perceived diminishing of support for Taiwan in the U.S., and expressed hope Taiwan will act responsibly in approving the defense budget and refraining from pro-independence rhetoric and actions. Chai said he fully understood the U.S. position that Taiwan should not create problems leading to confrontation with China. However, he added, DPP leaders face a difficult task in balancing between their dreams and international realities. End Summary.

DPP Politics

12. (C) Acting DPP Chairman Trong Chai (Tsai Tung-jung) told the Director on March 21 that his three main functions will be: 1) to hold party primaries to determine Legislative Yuan (LY) and presidential candidates, 2) to collect the one million signatures required to hold a referendum on recovering ill-gotten KMT party assets and, 3) to nominate a DPP candidate to run in the special Keelung mayoral election in May. The primaries consist of two parts, a vote by party members and a public opinion poll, Chai noted, adding that the party is still debating proposed rules that would exclude smaller or larger percentages of likely pan-Blue supporters from DPP candidate selection polls. Chai noted that the signature drive for the referendum on KMT party assets is behind schedule and he said that the DPP is also working to promote a referendum on using the name "Taiwan" to apply to join the UN,

13. (C) Whether the LY and presidential elections are held separately or together will affect the results of the LY

elections, Chai observed, adding that the two elections could be held together on either January 19 or 26. Normally the turnout for presidential elections is much higher than for legislative elections, and holding the two elections together could boost turnout for the LY elections from less than 59 percent to as much as 83-85 percent. Although high voter turnout traditionally benefits the DPP, combining the two elections would also increase KMT vote buying damaging to the DPP. The DPP will wait until after it selects a presidential candidate in May to decide whether to support combined or separate elections, Chai said, adding that he expected the currently DPP-controlled Central Election Commission (CEC) to decide the election scheduling based on the DPP's recommendation.

14. (C) President Chen has been trying hard to mediate with the four DPP hopefuls over the choice of a presidential and vice presidential candidate, Chai noted. While Chen would prefer Frank Hsieh and Premier Su Tseng-chang to be the candidates, that still leaves the problem of DPP Chairman Yu Shyi-kun and Vice President Annette Lu so long as they continue running. Because of this situation, the party will have to prepare to hold a presidential primary in May, Chai said.

Ma Ying-jeou's Liabilities

15. (C) Chai maintained that any one of the four DPP hopefuls could win the 2008 presidential election against former KMT Chairman Ma Ying-jeou because Ma has two liabilities. First, Chai maintained, the majority of Taiwanese cannot accept Ma's proposal for a cross-Straits arrangement. Ma, who believes in the ultimate goal of unification, wants to have a "peace

TAIPEI 00000676 002 OF 003

agreement" with China (Note: Ma uses the term *modus vivendi*), under which Beijing will pull back its missiles deployed opposite Taiwan in return for a Taiwan pledge to adhere to the one China principle. This agreement would make Taiwan a local government in contrast to the Chinese national government. The election will not be close if Ma uses this as an election issue, Chai predicted. Chai also argued that the KMT's policy of having different PRC and Taiwan interpretations of one China is untenable because the international community will hear only China's explanation and not the explanation offered by Taiwan.

16. (C) Turning to his second point about Ma, Chai suggested that Ma, who has set himself on a pedestal as the exemplar of justice, has previously insisted on suspending the party memberships of elected KMT officials who have been indicted. In his own case, however, Ma declared his presidential candidacy just three hours after being indicted. Chai doubted that the people would accept Ma's double-standard behavior despite indications by media polls that public support for Ma had increased after he announced his candidacy.

President Chen's Future

17. (C) During the presidential race, Chai suggested, President Chen may focus on campaigning in the areas where he remains popular, which can be determined through polling. The trial of First Lady Wu Shu-chen will probably conclude around June, Chai said. Although Chen has pledged to step down if Wu is convicted, whether he would actually do so is still an open question. The people around Chen would probably ask him to stay on, but that would cost him credibility. While Chen personally does not want to step down, social forces might compel him to do so. If Chen resigns and Annette Lu became president, that could complicate the presidential nomination situation, Chai added.

18. (C) Turning to U.S.-Taiwan relations, the Director pointed to the growing frustration among Taiwan's friends in the U.S. over the inability of Taiwan's LY to pass the defense budget. Chai stressed his support for arms procurement and described the efforts he had made, not successful so far, to promote political deals with the opposition in return for their support for arms procurement. Chai also emphasized Taiwan's need for U.S. assistance in the event of a conflict. While arms sales are important, Taiwan can only hold out on its own against a PRC attack for perhaps just two weeks without U.S. assistance, Chai suggested. Chai added that the people of Taiwan need to show they have the will to defend themselves if they are to hope for U.S. assistance.

19. (C) The Director reviewed the perceived diminishing of support for Taiwan in the U.S. over the past 5-10 years. The reasons for this development are complex, including new U.S. foreign policy priorities on issues such as counterterrorism, the growing importance of China, and questions about Taiwan's reliability as a partner. Moves to promote Taiwan independence are especially problematic, and some in the U.S. are growing concerned that Taiwan may be prepared to take risks that could provoke an unnecessary conflict with China. Both Taiwan and the U.S. will be electing new presidents next year, the Director observed. Approving arms procurement and refraining from provocative statements or actions now can help set a positive tone for future U.S.-Taiwan relations under new U.S. and Taiwan administrations. On the other hand, efforts to push sensitive constitutional changes, referendums involving sovereignty issues, or a referendum on using the name Taiwan to apply to join the UN, could present challenges to the long-term policy of the U.S. toward Taiwan.

110. (C) Chai expressed appreciation for the Director's remarks and said he fully understood the U.S. position and

TAIPEI 00000676 003 OF 003

policy. In sum, the U.S. does not want to confront China, and therefore Taiwan should not create problems for the U.S. However, Chai continued, from the Taiwanese perspective, it is "very ridiculous" that the territory referred to in Article 4 of the constitution includes Tibet and Mongolia. In addition, the name "Republic of China" is easily confused with China. While foreigners regularly refer to Taiwan, Taiwan itself has to use the name "Republic of China" and not "Taiwan." However, Chai added, DPP leaders face the challenging task of balancing between their dreams and international realities, which explains why President Chen has moved back and forth in his statements over the past seven years. Chai suggested that the growing economic freedom in the PRC will lead toward political freedom, but, in his view, even a democratic China might still keep the same policy toward Taiwan.

Comment

111. (C) The founding president of FAPA, Trong Chai's Deep Green proclivities came through clearly in this meeting. Nonetheless, Chai, who was a political science professor in the U.S. for many years, also seems to have a relatively sophisticated understanding of U.S. policy and of the importance for Taiwan to ensure continued strong U.S. support. Although Yu Shyi-kun's initial decision to appoint Chai as acting chairman while Yu runs for the DPP presidential nomination was controversial, the complaints have since dropped off as Chai seems to have been performing his role in a low-key, neutral and responsible manner.
YOUNG